

Timber & Forest Products Advisory Council Meeting Minutes

March 18, 2022

Present for the Timber & Forest Products Advisory Council (TFPAC or council)

Charlie Becker, Chair, Lyme Great Lakes Timberlands

Gary Melow, Michigan Biomass

Larry Leefers, Michigan State University

Rich Bowman, the Nature Conservancy

Nick Monkevich, Verso Corporation

Tim Biewer, Biewer Lumber

Michelle Felde, Michigan Forest Products Council

Julie Penrose, Holli Forest Products

Present for the Michigan Department of Natural Resources (department or MDNR)

Jeff Stampfly, Chief and State Forester, Forest Resources Division (FRD)

David Price, Manager, Forest Planning and Operations Section, FRD

Kim Korbecki, TFPAC Assistant, Executive Assistant for FRD

Dave Neumann, Utilization and Marketing Specialist, FRD

Dan Heckman, FRD

Brenda Haskill, FRD

Others Present

Ben Schram, Michigan Department of Agriculture and Rural Development

Donna LaCourt, Michigan Department of Agriculture and Rural Development

Charlie Becker, Chair, called the March 18 Timber and Forest Products Advisory Council (TFPAC or Council) meeting to order at 10:03 a.m.

Update on the Pigeon River Country Forest Carbon Project – David Price, Michigan Department of Natural Resources

David Price, Michigan Department of Natural Resources (MDNR), Forest Resources Division (FRD), gave an update on the Pigeon River Country (PRC) forest carbon project. They are currently in the verification process. A meeting will take place with the Pigeon River Country Advisory Committee next month.

1. There will be thirteen million credits over the first 10 years. When asked if there will be a summary report, David replied they can provide that eventually, but he did not have the numbers with him at this meeting. They will have that when they revise the State Forest Management Plan. They are just now wrapping up the model with the FRD management units, with fine tuning and adjustments.
2. Dan Heckman, MDNR, has provided inventory data to Bluesource. The project area is in the Wolverine and Emmet Moraines, and the Tip of the Keweenaw management areas. The Keweenaw is hard to manage because of its location. It will be slightly larger than the Pigeon River project and expect it will focus mostly on northern hardwoods. The project has just listed with ACR.
3. David will be meeting with the Western Upper Peninsula Citizens Advisory Committee regarding the new carbon project next week.

Update on Forest Plan Revisions – David Price / Dan Heckman, MDNR

Dan Heckman provided the following Forest Plan Revision update:

1. The planning team is combining the 2008 State Forest Management Plan and the 2013 Regional Forest Management Plans into one statewide plan. They have developed a new plan framework.
2. The planning team has accomplished three things: established conditions and trends; desired future conditions; and continued model work. MB&G has been a great asset in training Dan on how to use the Woodstock Model. So far, they have generated a statewide area regulation model and a more focused model for Kirtland's Warbler management.
3. Current conditions and trends have been determined for the entire 3.9 million acres of state forest. There are 2.6 million acres forested and available for commercial forest management.
 - a. When asked if there would be an analysis on availability (for commercial forest management) from Forest Inventory and Analysis (FIA) regarding other forest ownerships, the response was that the Forest Action Plan is a good plan to address management across all ownerships, but it does not do that.
 - b. Current conditions and trends, and age class distribution – there is a fair age class distribution for northern hardwoods across the state. It shows what they are going to deal with for the next decade. Most stands are in the 81-110 BA class, which is where optimal growth occurs; a fair amount is in 111-140 that will be targeted for a thinning or selection harvest; and there is almost 40,000 acres in the 1-50 BA class where there has been ash and beech mortality.
4. There are approximately ten silvicultural treatment methods summarized into five silvicultural regimes for modeling and planning purposes. There are significant differences in the management areas (MA).
5. Conversions. This involves moving cover types around the landscape.
 - a. There were 2,400 acres converted to aspen over the last 5 years.
 - b. It will include planted red pine that they will use as a nursery crop for oak or hardwoods, which has a commitment to long-term planning.
6. Desired Future Conditions
 - a. They apply desired future conditions (DFC) in a framework of thirty-two MAs with 150 cover types. The Western Upper Peninsula has 11 or 12 MAs; the Eastern Upper Peninsula has 6 MAs.
 - b. Desired future conditions focus primarily on balancing age class distributions.
 - c. They are establishing DFCs for special analysis units. These include Grouse Enhancement Management Sites (GEMS), Deer Wintering Complexes, the Elk Management Area and Kirtland's Warbler (KW) management. They are currently modeling these areas.
 - d. The initial modeling work is complete, and they will now focus upon setting desired future conditions with field staff.
 - e. The planning team is weighing the value in having public input just on future conditions. There is value in getting DFC input in the larger context of the management actions contained in a draft plan.

Jagdish Poudel, Forest Economist, FRD

Update on Forest Industry Economic Output Dashboard - David Neumann & Jagdish Poudel, MDNR

Forest Resources Division staff update the numbers on the Forest Industry Output Dashboard annually. David Neumann and Jagdish Poudel will both participate in updating the tables within the dashboard.

1. The object of this dashboard is to compile the data that can help track TFPAC goals. There are five goals:
 - a. increase public support for forest management and use of forest products.
 - b. Increase sustainable timber supply from forest lands in Michigan.
 - c. Increase support for Michigan forest products industries and foster new industries and technologies.
 - d. Develop and improve domestic and export markets and improve marketing; and
 - e. Increase Forest Products Industry employment in Michigan.

2. They will update MDNR Project Learning Tree activities and attendance, as well as public survey data when available. This will give a general idea of what the public is thinking and the current public support for forest management in Michigan.
3. They will update the dashboard with economic contribution analysis data from 2019 to 2021. Numbers for 2021 will be available after November 2022. They will publish an Economic Contribution Analysis Report each year.
4. They will update a 5-year Michigan FIA report with new data.
5. They have updated tables on the timber product output.
 - a. Larry Leefers and Gary Melow talked about how to update the dashboard.
 - Updating the dashboard will be goal five.
 - Recent economic contribution numbers for 2018 & 2019 are available – It was 41,901 direct jobs in 2018 and 42,011 jobs in 2019.
 - Jagdish will be updating the dashboard every year.

MDNR Departmental Update

Jeff Stampfly, Chief and State Forester, FRD, gave the MDNR departmental update.

1. Fire update: They continue to work on their fitness test challenges brought by the pandemic. They hope to resume limited testing by spring. They have sent three tractor plows (6 staff) to Texas. This summer is shaping up to be a long one for western fire.
2. Budget – the Governor’s budget is out and there are enhancements proposed for MDNR and FRD.
3. They continue to have human resources activity with hiring, promotions, retirements, and departures. Of note:
 - a. Jason Stephens is the new Assistant Chief and interviews for two District Managers are complete.
 - b. They have postings out for Fire Officers and other individual positions.
 - c. David Neumann is leaving state service, and Scott Jones and Ada Takacs are retiring.

MTFPAC (Member) Updates

Rich Bowman, the Nature Conservancy

1. They have recently hired staff that are out managing property.
2. Mindy is now the Partnership Coordinator.
3. They are continuing to have discussions with KRT.
4. They are starting pulpwood; the area they want to do is an improvement.
5. They are working on appropriations in Lansing that provides funding for state and local parks.

Nick Monkevich, Verso

The Escanaba bill is for two machines. They will do machine changes in 2025 and 2029. They plan to cut the machine in half and add sections.

Gary Melow, Michigan Biomass

1. Gary’s industry is experiencing increased fuel costs.
2. There is a Bioenergy conference this week. Fuel shortages has hit the global scale. It went from \$165 to \$285 per barrel.
3. He informed the members that the USFS has been doing research on the economic benefits of the ancillary services associated with biomass power generation.

David Neumann, Forest Resources Division, MDNR

1. They have been informing logging contractors that they shut production down in December and will restart production in February or March of 2023. When they start back up, they will start with oriented strand board. They anticipate running siding rather than OSB.
2. MDARD is planning to roll out an external quarantine. Their direction is to keep non-heated firewood

- in Michigan. It is the same quarantine order that MDARD posted last December.
3. They are trying to find chip or sawdust supplies in lower Michigan.
 4. They are still doing the mill survey and have received a 20% response so far.
 5. David Neumann is moving to Tennessee and FRD will be hiring a replacement for him. The deadline to apply for his position is March 22.

Ben Schram, Michigan Department of Agriculture and Rural Development

1. Qualified Forest Program (QFP) update – there are 69,000 acres enrolled in the program. It has been steady around the 70,000 mark. There is a total of over 800,000 acres.
 - a. 2021 Timber harvest showed 2,701 acres enrolled.
 - b. September was the end of the opportunity for the QF program. The Legislature created a program where each year you pay 20% more on your tax bill. It has gone from paying \$50 in QF to paying thousands – the first year was 40%, and it then went to 60% of the tax bill.

Tim Biewer, Biewer Lumber

The lumber market has been strong but is weakening right now. He still believes builders will be strong this year.

1. Transportation in many areas has been a huge factor. Lumber from Canada has not been shipping to the United States.
2. There is a new sawmill in Mississippi.

Michelle Felde, Michigan Forest Products Council

1. Michelle started in her position last fall.
2. The Sustainable Forestry Initiative starts next Monday.
3. The first Core training session will be in March.
4. Policy – They are revising the draft snowmobile bill.

Donna LaCourt, Michigan Department of Agriculture and Rural Development

1. Rural Development grants – maple transport – they are developing a logging truck maple grant.
2. Finland Policy workshop – they talked about the price of lumber for Finland from Russia. If expedited, there may be opportunities to partner with them.
 - a. They are recruiting companies from Finland to participate.
 - b. They are planning out a mission to visit Finland.
 - c. They are talking about developing an emporium.
3. Donna is working to get loggers connected to Michigan Works.

Brenda Haskill, Forest Resources Division, MDNR

1. There will be a tri-state logger group in May.
2. The initiation for Newberry starts somewhere in the fall.

Julie Penrose, Holli Forest Products

1. She testified in front of the State Transportation Committee and the Senate Transportation Committee for a Fuel Reciprocity Agreement between the Upper Peninsula of Michigan and the State of Wisconsin. This will alleviate timber haulers in the two states that haul within twenty miles of the border, from having to file quarterly IFTA taxes. The quarterly burden of this tax preparation on small business is huge. Both Committees passed the motion and now the states are working out the details.
2. Logging is currently tough. As an example, there has been an increase of insurance rates, a decrease of pulpwood rates, and transfers to other industries.